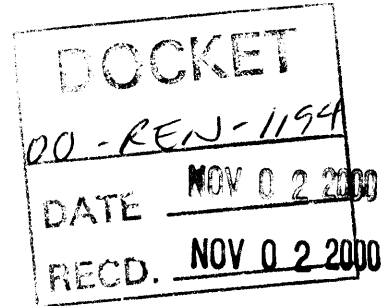




PowerCom

Energy & Communications Access, Inc.

1055 W. 7th St. Suite # 100, Los Angeles, CA 90017
Tel: (213) 622-9226 Fax: (213) 622-9332
www.powercomenergy.com



November 2, 2000

Submission to:
California Energy Commission
Re: Docket No. 00-REN-1194
Docket Unit, MS-4
1516 Ninth Street
Sacramento, CA 95814-5504

Submitted By:
PowerCom Energy & Communications Access, Inc.

Emerging Technology: Time of Use (TOU) Meters for Residential Service

Background

Consumers currently are charged for their power usage based on their total kwh usage multiplied by an "average" price. In turn, the average price is based on an aggregated consumption pattern. Thus, a consumer that actually uses 1000 kwh during peak hours pays the same as one who uses 1000 kwh during non-peak hours. Stated differently, consumers who change their usage pattern (e.g., doing laundry at night instead of mid-day) but consume the same amount of power (e.g., do the same number of laundry loads, etc.) pay the same amount. Of course, consumers that reduce overall consumption will save money.

Problem

As shown above, there is no economic incentive for a consumer to shift his or her usage pattern. Therefore, peak period requirements are greater than necessary; standby capacity is greater than necessary; and the need for more future generation capacity is greater than necessary.

Solution

The CEC should create an incentive for the installation of new residential meters that record time-of-use consumption. Such meters would allow for time-of-use pricing which would very pointedly educate the consumer about the high cost of peak period power.

This would strongly encourage the consumer to shift his usage pattern because it would save him money. It creates a direct incentive to reduce peak period consumption.

Proposal

The CEC should allow ESPs that sell renewable energy to initiate a pilot program of 100,000 households to test the benefits of the TOU meter technology. A payment or set aside of \$20 per month per household for three years would allow for the installation and maintenance of the meters; interval recording and data transmission; data analysis; and consumer feedback and education; and periodic and final reporting to the CEC.

Confining the program to ESPs that sell only renewable energy, and to consumers who buy renewable energy, is appropriate because:

- This dovetails with overall goal of supporting the growth of renewables;
- Targets the more environmentally aware consumer who is likely more receptive to the goal of the program;
- Rewards the renewable consumer who is likely paying more now than he would otherwise pay for fossil fuel energy.

Benefits

Such a program has the potential to radically alter consumer consumption patterns. The benefits include:

- Achieves a reduction in peak power demand;
- Achieves a reduction in total power demand;
- Reduces the urgency of new generation capacity;
- Aids the growth of the renewables industry as consumers can save money overall by shifting consumption; and,
- Reduces pollution in the aggregate.

Consumers win, ESPs win, the CEC wins!

Submitted by:

PowerCom Energy & Communications Access, Inc.
Dennis J. McNamara
Executive Vice President
213-622-9226 x2018
dmcnamara@powercomenergy.com